

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL RESELLER EXPEDITED PACKAGE CONTRACTS 4
(MC2014-38)
NEGOTIATED SERVICE AGREEMENTS

Docket No.
CP2014-67

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION
TO GLOBAL RESELLER EXPEDITED PACKAGE CONTRACTS 4
NEGOTIATED SERVICE AGREEMENT
(October 8, 2014)**

In Order No. 2170, the Commission included the agreement that is the subject of this docket within the Global Reseller Expedited Package Contracts 4 product.¹

Attached to this notice is a modification to the agreement that is the subject of this docket. The modification replaces Annexes 1 and 2 of the agreement. The rates in the modification are intended to go into effect on November 1, 2014.

A redacted copy of the modification and a redacted version of the certified statement required by 39 C.F.R. § 3015.5(c)(2) are filed as Attachments 1 and 2 respectively. In addition, the Postal Service is filing in separate Excel files redacted versions of the revised supporting financial documents for the contract that is the subject of this docket.

With respect to the nonpublic version of the modification, certified statement and the revised financial workpapers that are filed under seal, the Postal Service hereby

¹ Order No. 2170, Order Adding Global Reseller Expedited Package Contracts 4 to the Competitive Product List and Approval of Designation as Baseline Agreement, Docket Nos. MC2014-38 and CP2014-67, August 25, 2014, at 7.

incorporates its Application for Non-Public Treatment filed in conjunction with its August 8, 2014, notice in this docket.² The application protects from disclosure the information that has been redacted from the materials that the Postal Service is filing publicly today with this notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business and Service Development
Corporate and Postal Business Law Section

Christopher C. Meyerson
Attorney

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October 8, 2014

² Request of the United States Postal Service to add Global Reseller Expedited Package Contracts 4 to the Competitive Products List and Notice of Filing a Global Reseller Expedited Package 4 Negotiated Service Agreement, Docket Nos. MC2014-38 and CP2014-67, August 8, 2014, Attachment 1.

**GLOBAL CUSTOMIZED MAIL AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE AND**

This Modification amends the Global Customized Mail Agreement ("Agreement") between [REDACTED] ("Reseller") with offices at [REDACTED] and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998, signed by the Reseller on June 19, 2014, and signed by the USPS on June 23, 2014. The Reseller and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to replace Annex 1 and Annex 2 of the Agreement.

The revised Annex 1 and Annex 2 of the Agreement are attached to this Modification.

The USPS will notify the Reseller of the Effective Date of this Modification within thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS.

All other terms and conditions of the Agreement shall remain in force.

The Reseller acknowledges that as part of securing approval of this Modification, and in other subsequent regulatory filings, the Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding (CP2014-67). The Reseller authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. The Reseller further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost or volume data) in other Commission dockets, including Commission docket numbers ACR2014, ACR2015, ACR2016, ACR2017, ACR2018, ACR2019, and/or ACR2020. The Reseller has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22 found on the Commission's website, <http://www.prc.gov/Docs/63/63467/Order225.pdf>.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals (hereinafter "Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that this Modification may not be approved by such individuals or bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to allow the USPS to provide the products or services contemplated under

the Agreement, no obligation shall exist for the USPS and no benefit shall inure to either Party. In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Reseller prior to the Effective Date of this Modification. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual; special; indirect; incidental; punitive; consequential; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any costs incurred by either Party attributable to such non-approval such as attorney's fees.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

In witness whereof, this Modification is deemed executed on the latter of the two dates accompanying the Parties' signatures.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature:

Frank A. Cebello

Name:

Frank A. Cebello

Title:

Executive Director, Global Business Management

Date

9/19/14

ON BEHALF OF [REDACTED]

Signature:

Name:

Title:

Date:

9-18-14

REVISED PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND
ANNEX 1 PRIORITY MAIL INTERNATIONAL TENDERED WITHIN SPECIFIC 3
DIGIT ZIP CODES

REVISED PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND
ANNEX 2 PRIORITY MAIL INTERNATIONAL TENDERED FROM ALL ZIP CODES
OTHER THAN THOSE SPECIFIED IN ANNEX 1

ANNEX 1

PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL TENDERED WITHIN SPECIFIC 3 DIGIT ZIP CODES

Postage prices for Qualifying Mail tendered to the USPS within the following three digit ZIP-Codes are stated in the price charts in this Annex.

1. 005, 010-013, 015-017, 028-029, 052, 060-098, 100-127, 138-139, 170-171, 173-176, 178-199, 210, 212, 216, 219, each of these ZIP Codes being within two hundred (200) miles of the USPS International Service Center in New York, NY.
2. 329, 330-334, 338-341, 349, each of these ZIP Codes being within two hundred (200) miles of the USPS International Service Center in Miami, FL.
3. 460, 462-469, 478-479, 490-491, 495, 520, 527-528, 530-532, 534-535, 537-539, 542-543, 549, 600-619, 625, 627, each of these ZIP Codes being within two hundred (200) miles of the USPS International Service Center in Chicago, IL.
4. 900-908, 910-928, 930-935, each of these ZIP Codes being within two hundred (200) miles of the USPS International Service Center in Los Angeles, CA.
5. 936-954, 956-959, 962-966, each of these ZIP Codes being within two hundred (200) miles of the USPS International Service Center in San Francisco, CA.

ANNEX 1
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
TENDERED WITHIN SPECIFIC 3 DIGIT ZIP CODES

RATE GROUPS 1 – 9

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9
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ANNEX 1
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
TENDERED WITHIN SPECIFIC 3 DIGIT ZIP CODES

RATE GROUPS 1 – 9

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9
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ANNEX 1
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
TENDERED WITHIN SPECIFIC 3 DIGIT ZIP CODES

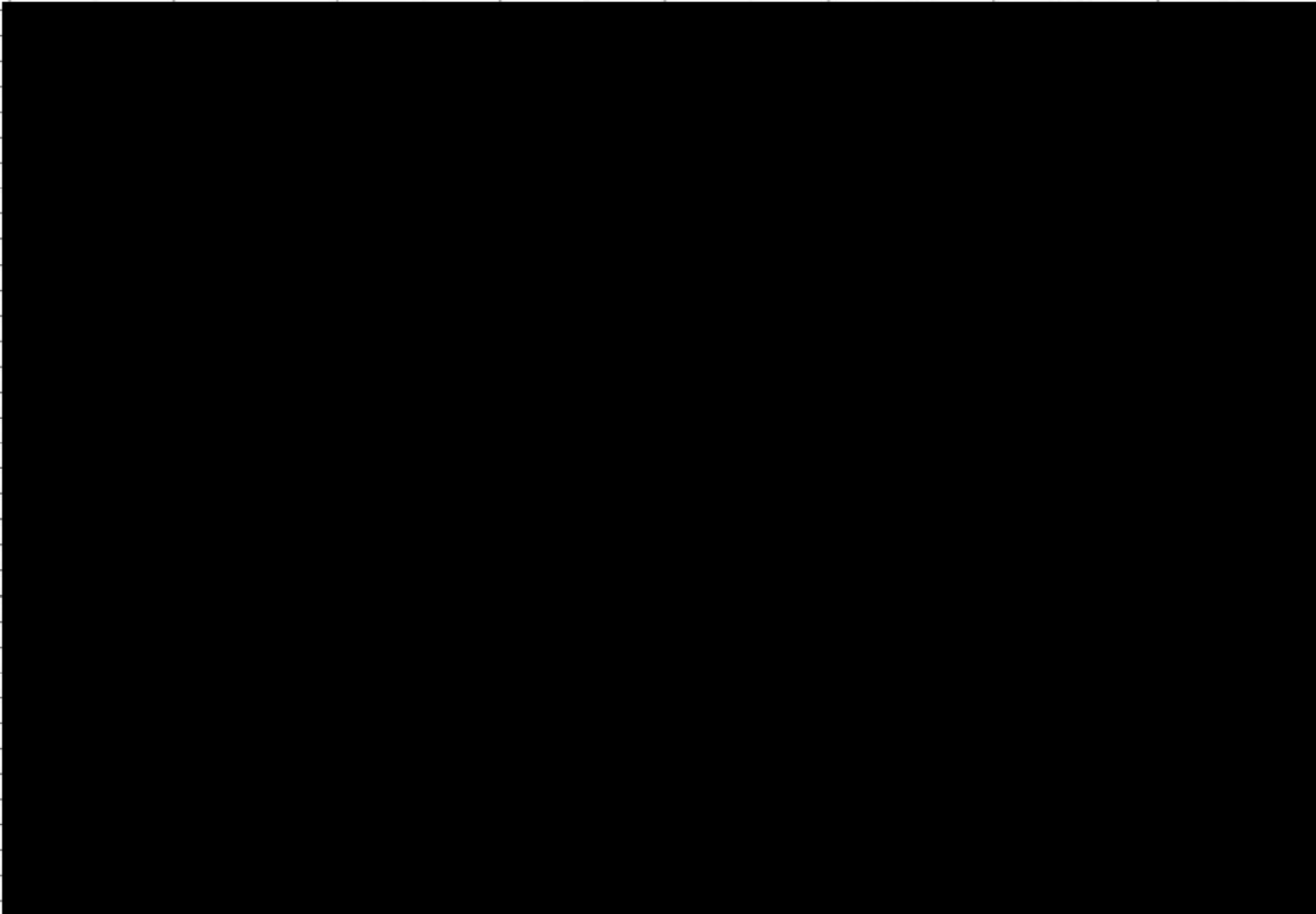
RATE GROUPS 10 – 17

Weight Not Over (LBS)	Group 10	Group 11	Group 12	Group 13	Group 14	Group 15	Group 16	Group 17
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ANNEX 1
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
TENDERED WITHIN SPECIFIC 3 DIGIT ZIP CODES

RATE GROUPS 10 – 17

Weight Not Over (LBS)	Group 10	Group 11	Group 12	Group 13	Group 14	Group 15	Group 16	Group 17
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ANNEX 1
PRICES FOR PRIORITY MAIL INTERNATIONAL
TENDERED WITHIN SPECIFIC 3 DIGIT ZIP CODES

RATE GROUPS 1 – 9

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ANNEX 1
PRICES FOR PRIORITY MAIL INTERNATIONAL
TENDERED WITHIN SPECIFIC 3 DIGIT ZIP CODES

RATE GROUPS 1 – 9

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ANNEX 1
PRICES FOR PRIORITY MAIL INTERNATIONAL
TENDERED WITHIN SPECIFIC 3 DIGIT ZIP CODES

RATE GROUPS 10 – 17

Weight Not Over (LBS)	Group 10	Group 11	Group 12	Group 13	Group 14	Group 15	Group 16	Group 17
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ANNEX 2
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND PRIORITY MAIL
INTERNATIONAL TENDERED FROM ALL ZIP CODES OTHER THAN THOSE
SPECIFIED IN ANNEX 1

Postage prices for Qualifying Mail tendered to the USPS within any three digit ZIP Code location other than those listed in Annex 1 according to the price charts listed in this Annex.

ANNEX 2
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
TENDERED FROM ALL ZIP CODES OTHER THAN THOSE SPECIFIED IN ANNEX 1

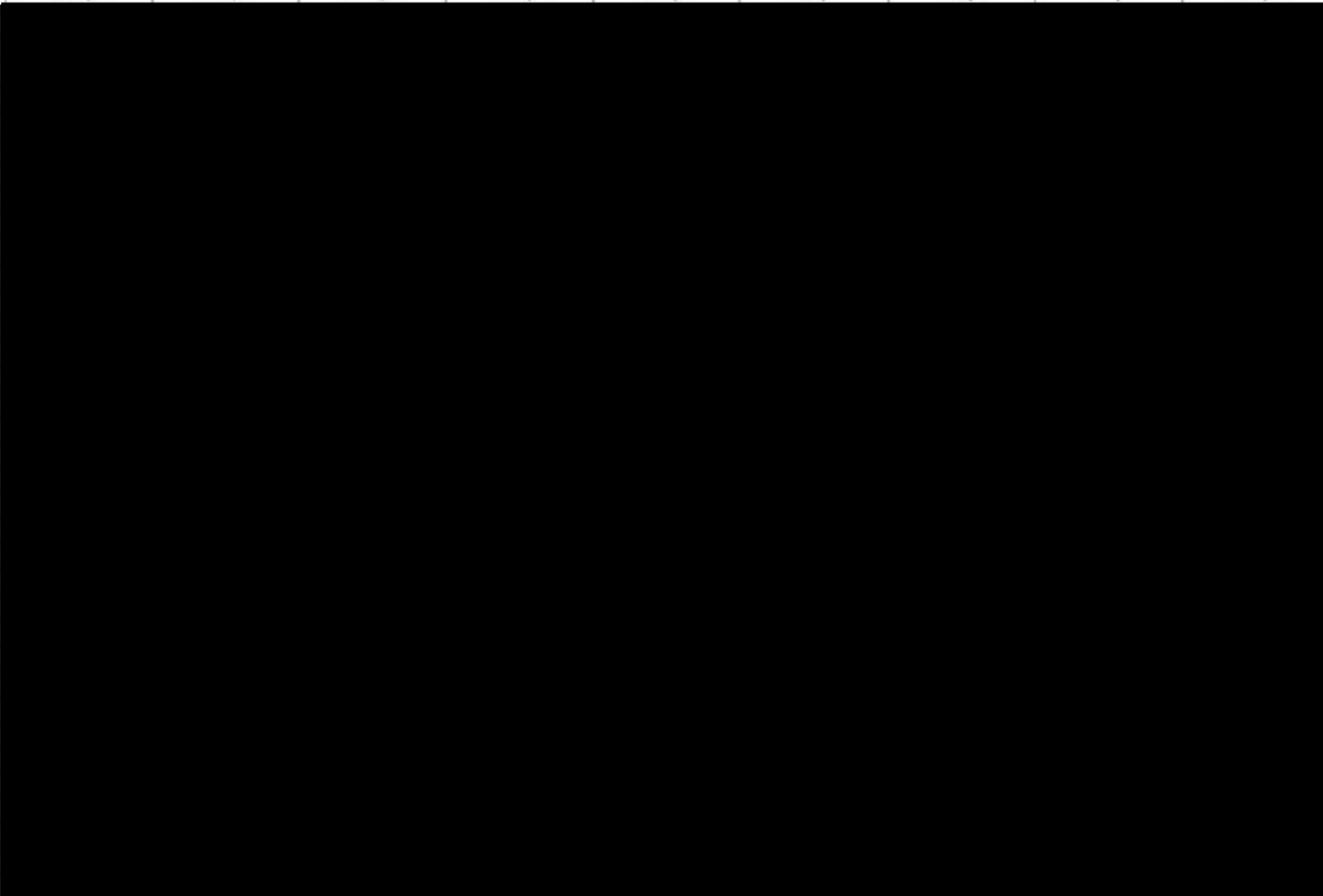
RATE GROUPS 1 – 9

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**ANNEX 2
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
TENDERED FROM ALL ZIP CODES OTHER THAN THOSE SPECIFIED IN ANNEX 1**

RATE GROUPS 1 – 9

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9
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ANNEX 2
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
TENDERED FROM ALL ZIP CODES OTHER THAN THOSE SPECIFIED IN ANNEX 1

RATE GROUPS 10 – 17

Weight Not Over (LBS)	Group 10	Group 11	Group 12	Group 13	Group 14	Group 15	Group 16	Group 17
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ANNEX 2
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TENDERED FROM ALL ZIP CODES OTHER THAN THOSE SPECIFIED IN ANNEX 1

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ANNEX 2
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**ANNEX 2
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TENDERED FROM ALL ZIP CODES OTHER THAN THOSE SPECIFIED IN ANNEX 1**

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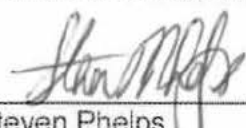
USPS [REDACTED] 09/2014

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**Certification of Prices for the Global Reseller Expedited Package Contracts 4
with [REDACTED]**

I, Steven Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Global Reseller Expedited Package Contract with [REDACTED]. The prices contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, issued March 22, 2011 (Governors' Decision No. 11-6), which established prices by means of price floor formulas.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] contract are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of in excess of the minimum required by the Governors' Decision, exclusive of pickup on demand and international ancillary services fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Reseller Expedited Package Contracts should be even smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Steven Phelps